Incentives to textile industries in loss

1008. SHRIMATI T. RATNA BAI: Will the Minister of TEXTILES be pleased to state:

(a) the status of textile industries which are in losses;

(b) the incentives given to them to come out from losses; and

(c) the steps taken so far in this direction in Andhra Pradesh?

THE MINISTER OF STATE IN THE MINISTRY OF TEXTILES (SHRI E.V.K.S. ELANGOVAN): (a) to (c) Government has setup Board for Industrial and Financial reconstruction (BIFR) under Sick Industrial Companies (Special Provisions) Act, 1985 with a view to arranging the timely detection of sick and potentially sick companies and for the speedy determination of preventive, ameliorative and remedial measures which need to be taken in respect of such companies. The companies which are registered with BIFR are incurring losses and having either negative networth or 50% erosion in networth. As on 31-01-2009, the cases of textile mills registered with BIFR were 867 and their status is given below:—

Status of the Cotton, Manmade Fibre Textile Mills (Non-SSI) Registered with BIFR as on 31-01-2009

Sl. No.	Status	State of Andhra Pradesh	All over India incl. Andhra Pradesh
1.	Declared No Longer Sick	3	62
2.	Draft Scheme	0	7
3.	Dropped as Net Worth become Positive	1	21
4.	Declared Sick	9	161
5.	Non-Maintainable	9	158
6.	Other	4	79
7.	Remanded by AAIFR*/Court	0	9
8.	Scheme Approved under Section 17(2) SICA,** 1985	0	4
9.	Scheme Sanctioned under Section 18(4) SICA,** 1985	2	53
10.	Stay Order by Court/Stayed by AAIFR*	0	4
11.	Under Enquiry	6	82
12.	Winding up Notice	0	8
13.	Winding up recommended section 20(1) SICA,** 1985	19	219
	TOTAL:	53	867

Legends: * = Appellate Authority for Industrial and Financial Reconstruction.
** = Sick Industrial Companies (Special Provision) Act, 1985.

The BIFR decides on the reliefs/concessions etc. to be given to the units in the revival packages on the merit of each case. However, the relief measures often include writing off of Government loan and waiver of interest thereon, grant for meeting expenditure on account of salary/wages/Voluntary Retirement Scheme, conversion of loan with interest thereon into grant, waiver of commission due on account of guarantee given by Government, etc.

The above table reveals that in the State of Andhra Pradesh, 53 cases were registered under BIFR and out of those, three cases have been declared no longer sick, one case dropped as networth became positive and schemes rehabilitation have been sanctioned in respect of two cases.

Revival of spinning mills

1009. SHRI SANJAY RAUT: Will the Minister of TEXTILES be pleased to state:

(a) whether Government is formulating any plan to revive the Spinning Mills;

(b) the total number of spinning mills operating and the total number of closed mills in the country, State-wise;

(c) whether Government is aware of the pitiable condition of the employees due to closure of the mills;

(d) if so, the steps taken in this regard;

(e) whether Government proposes to provide subsidy for revival of these mills; and

(f) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF TEXTILES (SHRI E.V.K.S. ELANGOVAN): (a) Government seeks to foster a policy regime, which facilitates growth and development of Indian industry. It has taken a number of steps to revive sick industrial units which, *inter-alia*, include, guidelines of the Reserve Bank of India (RBI) to banks, amalgamation of sick units with healthy units, setting up of Board for Industrial and Financial Reconstruction (BIFR) under the Sick Industrial Companies (Social Provisions) Act, etc. For restructuring of high cost debts of textiles units, in the organized sector, Ministry of Finance in banking Division, in September, 2003 introduced a Debt Restructuring Package to help textiles units overcome their unsustainable debt burden.

(b) Total number of spinning mills operating is 1648 and the total number of working mills is 1320 and closed mills is 328 as on 31.12.2008. A list is enclosed as a Statement (*See* below).

(c) and (d) There is no direct policy formulated by the Government of India to rehabilitate workers rendered unemployed due to closure of textile units. However, the Government of India launched a Textile Workers Rehabilitation Fund Scheme on 15.09.1986 to provide interim relief to textile workers rendered unemployed as a consequence of permanent closure of any particular portion or entire textile unit. Assistance under the Scheme is payable to eligible workers only for